

MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

NOTICE OF PROPOSED POLICY

Public Act 280 of 1939, as amended, and consultation guidelines for Medicaid policy provide an opportunity to review proposed changes in Medicaid policies and procedures.

Please review the policy summary and the attached materials that describe the specific changes being proposed. Let us know why you support the change or oppose the change.

Submit your comments to the analyst by the due date specified. Your comments must be received by the due date to be considered for the final policy bulletin.

Thank you for participating in the consultation process.


Director, Program Policy Division
Bureau of Medicaid Policy and Health System Innovation

Project Number:	1460-Pharmacy	Comments Due:	May 28, 2015	Proposed Effective Date:	July 1, 2015
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Policy Subject: Coverage of Pharmacy Claims for Certain Outpatient Physician-Administered Injectable Drugs

Affected Programs: Medicaid, Healthy Michigan Plan, Maternity Outpatient Medical Services (MOMS)

Distribution: All Providers

Policy Summary: To promote ease of billing for providers, this policy will allow pharmacy providers to be reimbursed for certain injectable drugs for administration in the outpatient hospital, clinic, or physician office setting using a rate based on the National Drug Code (NDC). This policy will apply to mental health and substance abuse injectable drugs, 17 Alpha Hydroxyprogesterone Caproate and Makena. Professional or institutional claims for physician-administered injectable drugs will continue to be covered. Providers will have the option of submitting a claim for a physician-administered injectable drug as a pharmacy claim, professional claim or institutional claim, as appropriate.

Purpose: This change was requested by pharmacy providers and Mental Health Advocates in order to promote accurate reimbursement for services. Currently, claims for most physician-administered injectable drugs are paid based on Average Sales Price (ASP). This price often does not accurately reflect the provider's cost to acquire the drug. By contrast, pharmacy claims are submitted using the product's NDC, which ties directly to a specific product, manufacturer, dose and dosage form. This provides more accurate accounting of the drug and dose administered, as well as a more accurate and current reimbursement rate.

Proposed Policy Draft

Michigan Department of Health and Human Services
Medical Services Administration

Distribution: All Providers

Issued: June 1, 2015 (Proposed)

Subject: Coverage of Pharmacy Claims for Certain Outpatient Physician-Administered Injectable Drugs

Effective: July 1, 2015 (Proposed)

Programs Affected: Medicaid, Healthy Michigan Plan, Maternity Outpatient Medical Services (MOMS)

NOTE: Implementation of this policy is dependent upon approval of a State Plan Amendment by the Centers for Medicare & Medicaid Services (CMS).

Effective for dates of service on and after July 1, 2015, pharmacy claims for the following physician-administered injectable drugs administered on an outpatient basis will be reimbursable under Michigan Medicaid and the Healthy Michigan Plan:

- Mental health and substance abuse injectable drugs, as listed on the Prepaid Inpatient Health Plan (PIHP)/Community Mental Health Services Program (CMHSP) Physician Injectable Drug Coverage Database, found at www.michigan.gov/medicaidproviders >> Billing and Reimbursement >> Provider Specific Information >> Mental Health/Substance Abuse >> PIHP/CMH Injectable Drugs
- 17 Alpha Hydroxyprogesterone Caproate (17P and Makena)

This change will allow pharmacy providers to be reimbursed for these injectable drugs for administration in an outpatient setting using a rate based on the National Drug Code (NDC). The rates for drug product reimbursement are outlined in the Michigan Medicaid State Plan. Professional or institutional claims for physician-administered injectable drugs will continue to be covered. Pharmacies and prescribing practitioners must ensure that claims are not duplicated. This policy applies to Fee-for-Service claims.

For Practitioners

Practitioners must submit the claim for the injectable drug as a professional or institutional claim if the practitioner purchases the drug directly through a pharmacy, distributor or wholesaler. If the practitioner uses a pharmacy to acquire the drug for administration, the pharmacy must submit the claim as a pharmacy claim. There is no copayment responsibility to the beneficiary for the injectable drug; however, there may be a copayment for the office visit to administer the drug.

For Pharmacy Providers

As a reminder, pharmacy providers may not dispense a physician-administered injectable drug directly to the beneficiary – to ensure the content and integrity of the drug administered to the beneficiary the drug must be delivered from the pharmacy directly to the physician for administration. The method of delivery of the injectable drug to the physician should be agreed upon by the pharmacy and physician. The refrigeration, stabilization, and other storage and handling requirements of the drug must be met during delivery and at all points of the transaction. The costs associated with the delivery of the injectable drug to the physician are not reimbursable by the Michigan Department of Health and Human Services (MDHHS).

The injectable drug must be administered to the beneficiary within 14 days of the arrival of the drug to the physician's office. For multi-dose vials, the first dose must be administered to the beneficiary within 14 days of the arrival of the drug to the physician's office. For the safety of our program beneficiaries and to minimize waste, procedures should be established to return unused medications to the pharmacy when appropriate. Restocking returned product should be compliant with Michigan Board of Pharmacy guidelines.

This policy does not apply to coverage of pharmacy claims for vaccines.